

EXHIBIT 4

ACTS

OF THE

SECOND REGULAR SESSION

AND OF THE

SECOND SPECIAL SESSION

OF THE

THIRD LEGISLATURE

OF THE

COMMONWEALTH OF PUERTO RICO

BEING CERTIFIED TRANSCRIPTS OF THE
ORIGINALS OF SUCH ACTS

Department of the Treasury
Purchase and Supply Service – Printing Division
San Juan, P. R.

1958

COMMONWEALTH OF PUERTO RICO
DEPARTMENT OF STATE
San Juan, Puerto Rico

I, ARTURO MORALES CARRIÓN, Acting Secretary of State of Puerto Rico, DO HEREBY CERTIFY: That the copies of the Acts of the Second Regular Session and of the Second Special Session of the Third Legislature of the Commonwealth of Puerto Rico, January 13 to May 31, and June 17 to July 6, 1958, respectively, herein inserted, are correct transcripts of the texts of the originals of such Acts.

Given under my hand at San Juan, Puerto Rico, this 1st day of August, in the year of our Lord one thousand nine hundred and fifty-eight.

(Seal)

ARTURO MORALES CARRIÓN,
Acting Secretary of State.

in this subdivision without affecting his right to the retirement pension or annuity."

Section 2.—This act shall take effect immediately upon its approval.

Approved June 19, 1958.

(S. B. 297)

[No. 56]

[*Approved June 19, 1958*]

AN ACT

To create the Public Buildings Authority; to determine its powers and duties and to dissolve the Puerto Rico Government Office Center Company, created under Act No. 117, approved July 1, 1953, and to provide that all its assets, indebtedness and obligations pass over to or are assumed by the Public Buildings Authority.

Be it enacted by the Legislature of Puerto Rico:

Section 1.—There is hereby created and established a body corporate and politic, with corporate succession, by the name of Public Buildings Authority. The Authority is constituted as an instrumentality of the Commonwealth of Puerto Rico exercising public and essential governmental functions, and the performance by the Authority of the powers granted hereby shall be considered and construed as an essential function of the Government of the Commonwealth of Puerto Rico.

Section 2.—The Authority shall make or cause to be prepared plans and designs for office buildings and facilities related thereto in those localities and in such manner as the Authority may deem necessary and desirable so as to provide lodging facilities for offices of the Commonwealth or of any department, agency, instrumentality or municipality, and shall acquire, lease, construct, equip, repair, finance and operate such facilities, and shall lease or otherwise contract for the use of lodging space in such facilities or part thereof, but such leases shall only be to, and such contracts shall only be with, the Commonwealth or any department, agency, instrumentality or municipality of the Commonwealth of Puerto Rico.

LAWS OF PUERTO RICO

121

Section 3.—The Authority shall be composed of five members, each to be a citizen of the United States and resident of Puerto Rico. Every member of the Authority shall be appointed by the Governor with the advice and consent of the Senate for a term of five years, and shall hold office until his successor is appointed and qualifies, except that the initial appointments shall be for terms of one, two, three, four and five years, and the Governor shall designate those members who shall hold such terms of one, two, three, four and five years. Any vacancy among the members of the Authority not because of expiration of the term shall be filled in the same manner as the original appointment, but only for the unexpired portion of the term. The members of the Authority shall receive no compensation whatsoever for their services as such. Each member shall be reimbursed by the Authority for necessary expenses incurred in the fulfilment of his duties.

The powers of the Authority shall be vested in the members of the Authority while in their incumbency as such, and said powers shall be exercised by them pursuant to the provisions hereof. Three members of the Authority shall constitute a quorum. No vacancy among the members of the Authority shall invalidate the rights of a quorum to exercise all the rights and powers and fulfil the duties of the Authority.

Section 4.—The Authority shall designate one of its members president and another vice-president; provided, that the term during which these members shall hold office as president and vice-president shall not exceed the term of their respective incumbency as members of the Authority. The Authority shall appoint a secretary, a treasurer and those other officials it may determine, none of whom has to be member of the Authority.

Before any bond issue under the provisions hereof, the secretary and the treasurer and each member of the Authority shall furnish a bond in a sum that the Authority shall determine, conditioned upon the faithful performance of his duties as secretary or treasurer or member, as the case may be, and underwritten by a surety company authorized to do business in the Commonwealth of Puerto Rico as surety. Each such bond shall be submitted to the Secretary of Justice for his approval and, upon being approved, shall be filed in the Office of the Secretary of State before the issuance of bonds by

the Authority. At all times after the issuance of bonds by the Authority and while said bonds have not been cancelled, the secretary and the treasurer and each member shall maintain said bond in full force and effect. The cost of said bonds shall be borne by the Authority.

Section 5.—The powers of the Authority shall be:

- (1) To have perpetual existence as a corporation;
- (2) To adopt, alter and use a corporate seal which shall be judicially noticed;
- (3) To have complete control and supervision over each and every one of its properties and activities, including the power to determine the nature and necessity of all expenses and the manner of incurring, authorizing and paying same; and to prescribe, adopt, amend and repeal rules and regulations for the conduct of its business in general, and to exercise and perform the powers and duties granted to and imposed on it hereby; provided, that nothing contained in this subdivision shall be construed as a limitation of the powers granted the Controller of Puerto Rico by the Constitution and the laws;
- (4) To sue and be sued, complain and defend in all courts of justice and administrative bodies;
- (5) To make contracts and to execute all instruments necessary or convenient for the exercise of any of its powers;
- (6) To acquire any kind of properties and rights therein in any lawful manner, including, without limitation, acquisition by purchase, either by agreement or through the exercise of the power of eminent domain, lease, bequest, legacy or gift, and to possess, keep, lease, use and operate any undertaking or parts thereof;
- (7) To prepare or cause to be prepared, plans, projects and cost estimates for the construction, reconstruction, extension, improvements, enlargement or repair of any property or undertaking, or any part or parts thereof, and from time to time to modify such plans, projects and estimates;
- (8) To acquire, to hold and possess and use at any time and as stated in paragraph (6) any real or personal or mixed property, whether corporeal or incorporeal or any interest therein, considered necessary or convenient to carry out the purposes of the Authority, and to assign or lease the same in

LAWS OF PUERTO RICO

123

whole or in part, as lessor, or to exchange any property thus acquired or any interest therein;

(9) To appoint such officers, agents and employees and vest them with such powers and impose on them such duties, and to fix, change and pay such compensation for their services, as the Authority may determine; but the provisions herein contained do not authorize the granting of salaries beyond the standards heretofore or hereafter established by the Legislature as to maximum salary level for services rendered to the Commonwealth of Puerto Rico;

(10) To borrow money, make and issue bonds of the Authority for any of its corporate purposes, and to secure payment of its bonds and of any and all other obligations by pledge on all or any of its properties, revenues and incomes;

(11) To make and issue bonds for the purpose of funding, refunding, purchasing, paying, or discharging any of its outstanding subrogated or issued bonds or obligations; or any bonds or obligations the principal and interest of which are payable in whole or in part from its revenues;

(12) To accept grants from, and enter into contracts, leases, agreements or other transactions with any agency of the United States, the Commonwealth of Puerto Rico, or its political subdivisions, and to expend the proceeds of any such grants for any corporate purposes;

(13) To sell or otherwise dispose of property of any kind, real, personal or mixed, or any interest therein, which is no longer necessary for the activities of the Authority or for effectuating the purposes hereof;

(14) To enter on any lands, water or premises of any other nature, after notifying the owners or holders thereof, or their representatives, for the purpose of making surveys, sounding or examinations;

(15) To contract with any Commonwealth department, agency or official, or with any private person or entity with regard to the administration of any properties or facilities of the Authority, and in accordance with such terms and conditions it may deem convenient;

(16) To do all acts, or covenants, agreements, contracts or transactions necessary or convenient to carry out the powers granted to it hereby or by any other act of the Legislature of

Puerto Rico, or by an act of the Congress of the United States; provided, however, that the Authority shall have no power at any time or in any manner to pledge the credit or taxing power of the Commonwealth of Puerto Rico or any of its political subdivisions; neither shall the Commonwealth of Puerto Rico nor any of its political subdivisions be liable for the payment of the principal of or interest on any bonds issued by the Authority.

Section 6.—(a) Subject to the provisions of Act No. 272 of May 15, 1945, the bonds of the Authority may be authorized by resolution or resolutions of the members of the Board and may be of such series, may bear such date or dates, may mature at such time or times not exceeding fifty (50) years from their respective dates of issuance, may bear interest at such rate or rates, may be in such denomination or denominations, may be either coupon or registered, may carry such registration or conversion privileges, may be executed in such manner, may be payable in such medium of payment and at such place or places, may be subject to such terms of redemption, with or without premium, may be declared or become due on such date before maturity, may provide for the replacement of mutilated, destroyed, stolen or lost bonds, may be authenticated in such manner upon compliance with such conditions, and may contain such other terms and covenants as such resolution or resolutions may provide. The bonds may be sold at public or private sale for such price or prices as the Authority shall determine.

(b) The bonds of the Authority bearing the signatures of the officials of the Authority and of the members of the Authority in office on the date of the signing thereof, shall be valid and binding obligation, notwithstanding that before the delivery thereof and payment thereof any or all of the officials of the Authority or members of the Authority whose signatures or facsimile signatures appear thereon shall have ceased to be such members of the Authority or officials of the Authority. Any resolution authorizing the bonds may provide that any such bond may mention the fact that it is issued pursuant hereto, and any bond containing such recital under authority of any such resolution shall be conclusively deemed to be valid and to have been issued in conformity with the provisions hereof.

LAWS OF PUERTO RICO

125

(c) Before the execution and delivery of definitive bonds, temporary or interim bonds, receipts or certificates, may be issued in such form and in accordance with such provisions as may be made in the resolution or resolutions authorizing their issuance.

(d) Any resolution or resolutions authorizing any bonds may contain provisions, which shall be a part of the contract with the bondholders as to:

(1) The disposition of the entire gross or net revenues and present or future income of the Authority, including the pledging of all or any part thereof to secure payment of the bonds;

(2) Setting aside reserves for amortization funds, and the regulation and disposition thereof;

(3) Limitations on the right of the Authority to restrict and regulate the use of any undertaking or property, or part thereof;

(4) Limitations with respect to the purposes to which the proceeds of the sale of any issue of bonds then or thereafter made may be applied;

(5) Limitations on the issue of additional bonds;

(6) The procedure by which the terms of any resolution authorizing bonds, or of any other contract with the bondholders, may be amended or abrogated, and the amount of the bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(7) The amount and kind of insurance to be maintained on the undertakings and properties of the Authority, and the use and disposition of insurance moneys;

(8) Covenanting against alienating or encumbering all or any part of the revenues, income, or property of the Author-

ity to which its right then exists or the right to which may thereafter come into existence;

(9) Events of default and terms and conditions upon which any or all of the bonds become or may be declared due before the specified dates of maturity and as to the terms and conditions upon which such declaration and its consequences may be waived;

(10) The rights, liabilities, powers, and duties arising upon the breach by the Authority of any of its covenants or obligations;

(11) The vesting in a trustee or trustees with the right to enforce any covenants made to secure, to pay, or in relation to, the bonds; as to the powers and duties of each trustee and the limitation of liabilities thereof, and as to the terms and conditions upon which the holders of the bonds or any proportion or percentage of them may enforce any covenant made hereunder or duties imposed hereby;

(12) Other acts and things not inconsistent herewith that may be necessary or convenient for the security of the bonds, or that may tend to make the bonds more marketable.

(e) The bonds authorized hereby shall be negotiable in accordance with the meaning and for all intents and purposes of the Uniform Negotiable Instruments Act in force in Puerto Rico.

(f) Neither the members of the Authority nor any person executing the bonds shall be liable personally on the bonds to the bondholders or to third persons, nor shall be subject to any civil liability by reason of the issuance thereof.

The Authority is authorized to purchase any outstanding bonds issued or assumed thereby, with any funds available therefor, at a price which does not exceed the principal amount or the redemption price thereof and the accrued interest. All bonds so purchased shall be cancelled.

LAWS OF PUERTO RICO

127

Section 7.—The bonds issued by the Authority shall be lawful investments and may be accepted as securities for all trust funds, special or public, whose investment or deposit is under the authority and jurisdiction of the Commonwealth Government or of any officer or officers thereof.

Section 8.—In order to facilitate the obtaining of funds for enabling the Authority to carry out its corporate purposes, the real and other properties of and the bonds issued by the Authority and the revenues derived therefrom shall at all times be and remain tax exempt.

Section 9.—The Commonwealth hereby covenants and agrees with any person, business, corporation, or federal or Commonwealth agency subscribing to or acquiring bonds or other debentures of the Authority, not to limit or alter the rights of powers herein granted the Authority until the said bonds, regardless of their dates, together with interest thereon, have been fully liquidated and retired.

Section 10.—The personnel of the Authority shall be included in the exempt service, pursuant to the provisions of Act No. 345, approved May 12, 1947, known as the Personnel Act, as amended. For the administration of said personnel the Authority shall, in consultation with the Director of the Office of Personnel, prescribe standards and regulations leading toward a plan analogous to the one in force for the Commonwealth employees under the personnel laws of Puerto Rico, insofar as deemed by the Authority compatible with its best interests.

Section 11.—The members, officers and employees of the Authority shall be entitled to reimbursement for travel expenses, or, in lieu thereof, to such pertinent per diems as may, in harmony with the Authority's regulations, be authorized or approved.

Section 12.—No person having a substantial financial interest, whether direct or indirect, in any private undertaking with which the Authority executes contracts or does business of any nature, may hold an executive position in the Authority.

Section 13.—All Authority funds shall be deposited with recognized depositories for Commonwealth funds, but they shall

be kept in a separate account or accounts registered in the name of the Authority.

Section 14.—The Authority shall submit to the Legislature and the Governor an annual report covering all its activities and businesses during the preceding fiscal year.

Section 15.—Any department, agency, instrumentality or municipality of the Commonwealth may, by resolution or law, or acting by or through its secretary, director or other executive head, be pledged under a lease contract with the Authority for any of the facilities of the Authority or part thereof, or under any contract entered into with the Authority for the use of any space in said facilities, or under any contract entered into with the Authority for services to be rendered by governmental organizations in relation to said facilities, for such period of time, specific or limited, and under those terms and conditions deemed necessary for the providing of the space or the service contemplated by said lease or contract. Said lease or contract may provide for the payment to the Authority of any rent or other charges by the department, agency, instrumentality or municipality of the Commonwealth and may be made for a specific or an unlimited time, and under any terms and conditions that may be approved by the department, agency, instrumentality or municipality of the Commonwealth and which may be agreed upon by the Authority. Said department, agency, instrumentality or municipality of the Commonwealth is hereby authorized to perform and execute any and all of the acts or agreements, covenants, contracts and transactions necessary, convenient or desirable to perform and execute each contract and provide for the payment or satisfaction of any obligation of said department, agency, instrumentality or municipality of the Commonwealth. Any contract shall be valid and binding upon the department, agency, instrumentality or municipality of the Commonwealth.

Section 16.—No injunction shall lie for preventing the application of this act or any part hereof.

Section 17.—The Puerto Rico Government Office Center Company, created by Act No. 117, approved July 1, 1953, is hereby dissolved and said act is hereby repealed and rendered without any further effect whatsoever. All the properties and

LAWS OF PUERTO RICO

129

all assets, debts and obligations of any nature shall pass over to or shall be assumed by the Authority herein created.

Section 18.—(a) The term “Authority” means the Public Buildings Authority hereby created.

(b) The term “bond” means any evidence of indebtedness which the Authority may incur pursuant hereto.

Section 19.—This act shall take effect immediately upon its approval.

Approved June 19, 1958.

(S. B. 314)

[No. 57]

[*Approved June 19, 1958*]

AN ACT

To authorize the Governor and the heads of departments, agencies, instrumentalities and public corporations of the Commonwealth of Puerto Rico to accept, use and administer gifts, when such gifts come exclusively from nonprofit institutions, the Federal Government or the government of any of the States of the American Union, or any instrumentality, agency or political subdivision thereof.

Be it enacted by the Legislature of Puerto Rico:

Section 1.—The Governor, the heads of departments and agencies, the instrumentalities and public corporations of the Commonwealth of Puerto Rico are hereby authorized to accept, use and administer gifts of all kinds of property, when these gifts come exclusively from nonprofit institutions, the Federal Government or the government of any of the States of the American Union or of any instrumentality, agency or political subdivision thereof. The acceptance of any gift, pursuant to the powers herein conferred, shall be done in the name and in behalf of the Commonwealth of Puerto Rico, except in the case of any instrumentality or public corporation with juridic personality and its own estate in which case the gift shall be accepted in its own name.